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SUBJECT Notes on the East German Medical-Pharmaceutical Situation

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1. According to estimates made by the Sales Department of the Ministry for Health in early December 1953, the unsold surplus of medical-pharmaceutical supplies will amount to about 35 million DME by 31 December 1953. In addition, medical equipment worth about 3.5 million DME will still be unsold as of that date. The main items in the surplus stock of medical equipment are seven tons of artificial teeth, about 100 oil-pressure chairs, about 100 electromotors for dentists, medical sutures worth about 300,000 DME, bandages worth about 500,000 DME, 200,000 fever thermometers, injection equipment, etc. The surplus stock of medical/pharmaceutical supplies includes the following main items, in addition to large quantities of products of a general medical character (such as drugs for indigestion, disinfecting agents, homoeopathic remedies, anti-rheumatism aids and herb distillates):

Analgesic medicaments worth about 5 million DME

Sulfonamides worth about 1 million DME

Cough syrups and dragees worth about 7 million DME

Isonicotinic acid hydrazide and thebethion worth about 500,000 DME

Hormones worth about 2 million DME

Medicaments against heart and circulation trouble worth about 1 million DME

Penicillin worth more than 7 million DME

2. The surplus of penicillin arose in the following way. In March 1953, VEB Jenapharm, Jena, was ordered to produce 700 billion International Units of penicillin, which represented a value of about six million DME. This supply was supposed to go into the Operational Reserve, which at that time did not yet exist but which according to plans was to be established in the summer of 1953. Jenapharm transferred the penicillin

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to DHZ Pharmazie und Krankenhausbedarf, which advanced the money for the Operational Reserve. DHZ was reimbursed in September 1953 after the Operational Reserve was officially established, subsequent to a decision of the Council of Ministers on 10 August 1953. 2/ This decision also stipulated that 750 billion International Units of penicillin, representing a value of about seven million DME, were to be taken over into the Operational Reserve from the State Reserve. The budget of the Operational Reserve, however, was limited to 15 million DME, which made it impossible for the Operational Reserve to take over the penicillin supplies from the State Reserve after reimbursing DHZ for its advance to Jenapharm. As a result, there is at present a penicillin surplus of 750 billion International Units. 3/

3. The surplus situation described above does not mean that East Germany is well supplied with all the medical-pharmaceutical products it needs. The surplus situation only refers to certain supplies, of which the most important ones are listed above. On the other hand, there has been and is a shortage of certain critical supplies which East Germany has to import. So far, imports of these materials have not covered total East German requirements. The following are the most important of these critical supplies; producers are given in parentheses after each item:

- a. High-quality sulfonamides, specifically: "Supronal" (produced by Bayer, Leverkusen); "Gantrisin" (Hoffmann La Roche, Grenzach); "Badional" (Bayer); "Elkosin" (Ciba, Wehr.).
- b. Antibiotics, except penicillin, mainly streptomycin, aureomycin, terramycin and chloromycetin. 4/
- c. High-quality sera, such as antidiphtheria and antitetanus sera, and special sera, such as snake sera and Dromolatz serum (Behring, Marburg).
- d. Narcotics, such as laughing gas (Merck, Darmstadt); "Eripan Sodium" (Hungary); and "Dolantin" (Hungary).
- e. Certain analgesics, such as "Irgapyrin" and "Butazolidin" (Geigy, Basel).
- f. Injectable X-ray contrast agents, mainly "Per-Abrodil" (Bayer); "Abrodil" (Bayer); "Joduron" (Ciba, Schaffhausen, Switzerland); "Pantopaque" (?); "Rilospect" (SOPFA, Prague).
- g. Various other products: "Depot Duramin" (Asta, Brackwede); "Thiomedon" (Chemiewerk, Homberg); special insulin (Chemische Werke Hoechst and Denmark); antihistamines on phenothiazine basis (Boehringer, Mannheim and Knoll, Ludwigshafen); vitamins (Hoffmann La Roche and Holland); special hormones (Ciba and Holland).

25X1A 1/ [REDACTED] for more information on the surplus situation.

25X1A 2/ [REDACTED]

25X1A 3/ Comment. [REDACTED] The average annual demand for penicillin in East Germany is about 3,000 billion International Units, if prices are normal. With increased prices, the demand decreases, as it has happened in the past.

4/ Comment. [REDACTED] There is a shortage of chloromycetin, although this antibiotic is produced under the name of "Chloronitrin" by Jenapharm, Jena, and Schering, Berlin-Adlershof. The production of these two enterprises does not cover East German demands.